

CEC 2012 Integrated Energy Policy Update

“Evaluating & Capturing the Benefits of Renewable Energy for California”



J.C. Thomas III
Manager of Legislative & Regulatory Affairs

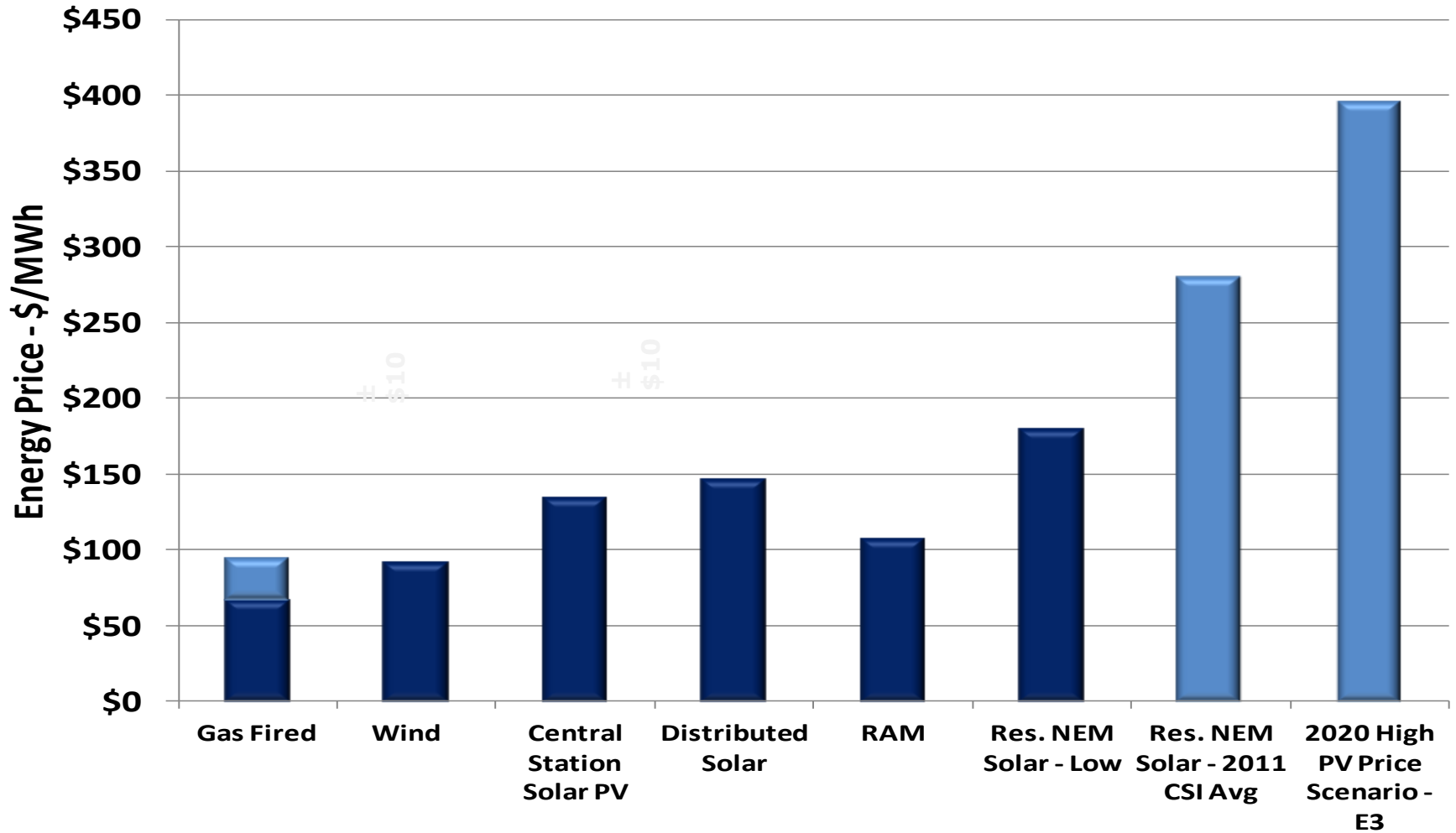
April 12, 2012

SDG&E's commitment to renewables



- ☐ Renewable Portfolio Standard will provide 33 % of SDG&E's energy mix by 2020
- ☐ Renewable Auction Mechanism will allow renewable projects up to 20 MW to be built in the region for a total of 155MW
- ☐ Feed in Tariff (SB32) for renewable projects up to 1.5 MW will encourage small distributed projects
- ☐ Customer installed PV & wind through Net Energy Metering (NEM does not count toward RPS compliance)

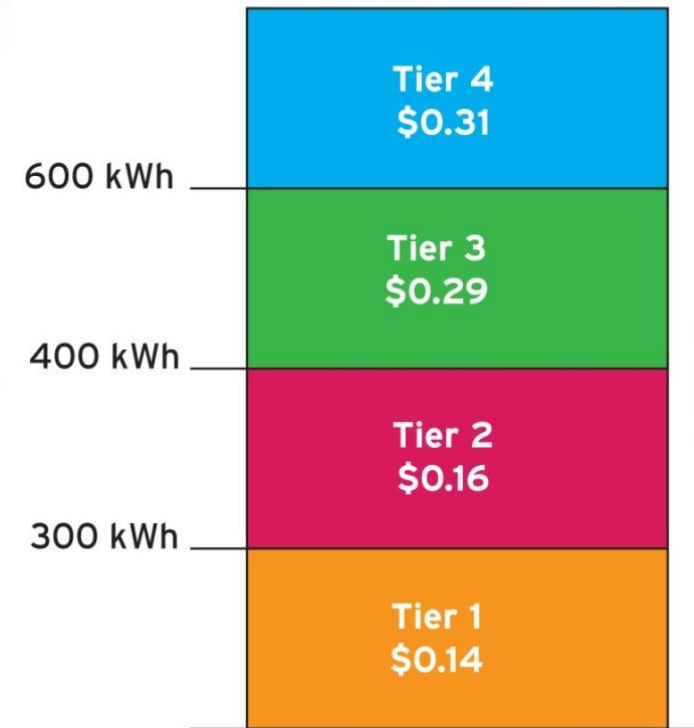
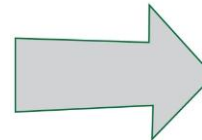
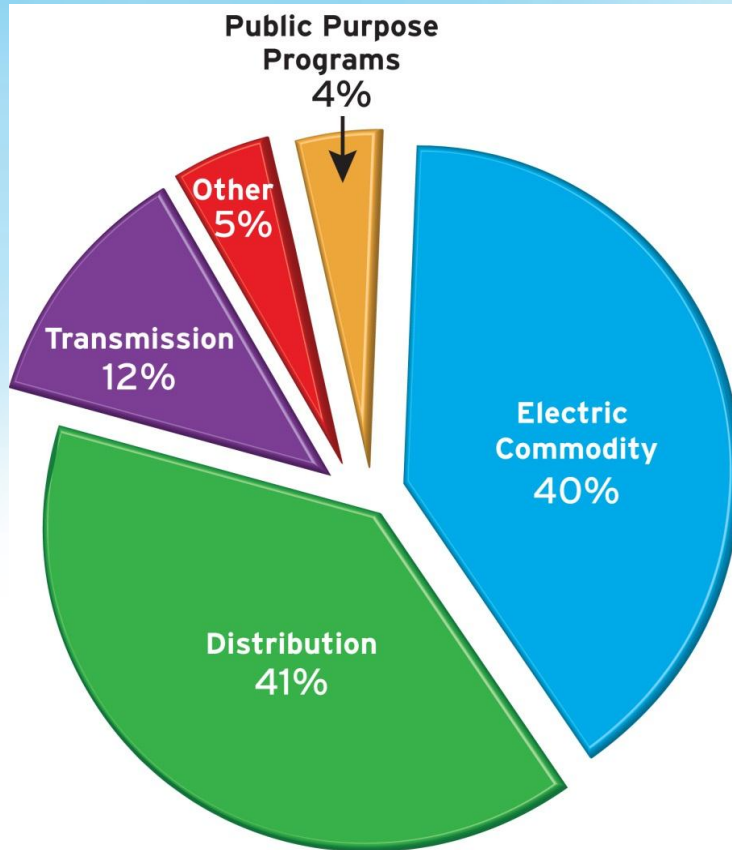
Generation Prices



Sources

- Gas Fired range dependent on forecasts with adjustments for wind and solar performance
- SDGE Wind, Central Station Solar and Distributed Solar costs are from the CPUC Q4 RPS Report to the Legislature
- RAM price of \$89.23/MWh, the average bid for all three CA IOUs, is assumed to be largely solar and TOD adjusted using a factor of 1.2
- Low and Average for Residential NEM Solar are based on 2011 CSI data
- 2020 High PV Price is the high residential PV cost from E3's "Technical Potential for Local Distributed Photovoltaics in California" - Mar. 2012

What is in your electric bill ?



Residential tier rate structure

Proposed Solutions

1. Fix the existing rate structure to provide accurate price signals and reflect the cost of service utilities provide
2. If subsidies are needed to encourage renewable market development, make them transparent to consumers and decline over time
3. Expand customer access to renewable energy technologies that give customers more choice

